

REMARKS

This responds to the Office Action mailed on November 18, 2004. Claims 26 and 47 are amended, no claims are canceled, and no claims are added. As a result, claims 26-47 are now pending in this application.

It is noted that claims 26 and 47 are amended to correct typographical errors introduced in the Final Office Action dated July 2, 2004, and in the reply to the First Office Action dated March 8, 2004 respectively, and not for reasons related to patentability. Applicant also respectfully notes that claims 26-27, 30-33, 35, 37-39, 42-44, and 46 were amended in Applicant's response to the First Office Action dated March 8, 2004, to delete the term "electronic" from "physical electronic key." Subsequent Office Actions do not appear to recognize these claim amendments. Applicant respectfully requests that the Office enter these amendments of March 8, 2004.

If the Examiner is not convinced that the pending claims are in condition for allowance after reviewing this document, the courtesy of an Examiner's Interview is respectfully requested prior to preparing and mailing any Final Office Action.

§102 Rejection of the Claims

Claims 26-47 were rejected under 35 USC § 102(e) as being anticipated by Spies et al. (6,055,314, hereinafter "Spies"). The Applicant does not admit that Spies is prior art, and reserves the right to swear behind this reference in the future. In addition, because the Applicant asserts that the Office has not shown that Spies discloses the identical invention as claimed, the Applicant traverses this rejection of the claims.

It is respectfully noted that anticipation under 35 USC § 102 requires the disclosure in a single prior art reference of each element of the claim under consideration. *See Verdegaal Bros. V. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ 2d 1051, 1053 (Fed. Cir. 1987). It is not enough, however, that the prior art reference discloses all the claimed elements in isolation. Rather, "[a]nticipation requires the presence in a single prior reference disclosure of each and every element of the claimed invention, *arranged as in the claim.*" *Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co.*, 730 F.2d 1452, 221 USPQ 481, 485 (Fed. Cir. 1984) (citing *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 220 USPQ 193 (Fed.

Cir. 1983)) (emphasis added). "The *identical invention* must be shown in as complete detail as is contained in the ... claim." *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989); MPEP § 2131 (emphasis added).

RE: Claims 26, 38, and 47. Applicant is unable to find in the cited portions of Spies (col. 2, lines 25-26) "a method of acquiring and playing digital content" as recited in Applicant's claims. The cited portion of Spies reads "video content" and makes no mention of "digital content" generally. The Office asserts that claim 38 is rejected as "a method of acquiring and playing digital content." However claim 38 recites structure and comprises a system claim. Likewise, claim 47 recites structure and not a method as asserted by the Office. It thus appears that claims 38 and 47 were considered by the Office under the wrong statutory classes. Reconsideration of these claims and the claims dependent therefrom is therefore respectfully requested prior to any Final Office Action.

Applicant is also unable to find "acquiring a physical key" in Spies col. 2, lines 50-67 as cited by the Office. Spies discloses an IC card that is neither equivalent to nor suggestive of Applicant's "physical key." First, the IC card of Spies is *content-centric*, associated with a particular video content program. "The purchaser selects a video content program and the merchant computing unit downloads decryption capabilities unique to the selected video content program to the purchaser IC card *for use in decrypting the selected video content program*. These *decryption capabilities include a program key unique to a related video content program* and a policy concerning decryption protocols." Spies col. 2, lines 54-58 (emphasis added). In contrast, Applicant's physical key is *user-centric*, associated with the person in physical possession of the key. "The key provider ships the physical electronic key to the new user via package courier such as the U.S. Postal Service, United Parcel Service, or Federal Express." Application, page 5, lines 29-31. Applicant's physical key is sealed at its origin of manufacture with a code to be assigned to a user, and *cannot be modified thereafter*. Second, the Spies IC card contains a processor to perform decryption. "The IC card 50 is a portable card-like device that has processing capabilities" (Spies col. 5, lines 62-63); "[i]n other implementations, the IC card might be in the form factor of a PCMCIA card or a floppy diskette, with processing chip(s) configured thereon" (Spies col. 6, lines 8-10); and "[t]he microcontroller 52 of the IC card 50 is configured to execute various cryptographic functions, including hashing, signing, encryption,

decryption, and authentication." (Spies col. 6, lines 65-67 to col. 7, line 1). In contrast, Applicant's physical key does not execute decryption routines. Decryption processing is performed by a digital content player. Finally, Spies specifies that the IC card is in physical contact with the video content player to operate in combination with the decryption routines executed by the IC card. "The viewer inserts the IC card into the I/O device on the viewer computing unit 60." Spies col. 9, lines 14-15. In contrast, Applicant's physical key is capable of *communicating electromagnetically* with a digital content player. "With the user's physical electronic key within a short range (e.g., few meters) of the playing device, the playing device reads (1) the key code *carried in a radio frequency signal transmitted by the transceiver in the key* to the transceiver in the device and (2) the unlock code marked on the encrypted digital content (step 28)." Application, pg. 7, lines 31-33 to pg. 8, line 1 (emphasis added). For at least these reasons, the IC card in Spies is not equivalent to Applicant's physical key.

Neither is Applicant able to find "containing a unique key code from a key provider" in the references cited by the Office. The citations from Spies read, in pertinent part, "[t]he secure key store 40 enables the video merchant 24 to vend encrypted versions of the *program keys* in a controlled way"; and "[i]f the IC card is verified, the merchant computing unit 44 transfers the cryptographic *program key 56 for the selected video program* from the secure key store 40 to the IC card 50." Thus it is clear that the Spies key is a program key, associated with a "selected video program." In contrast, Applicant's unique key code is the code imbedded in Applicant's physical key at the time of its manufacture.

The Applicant is also unable to find "requesting digital content from a content provider" in the references cited by the Office. The reference citations relate strictly to video content, whereas Applicant's invention relates to digital content generally, as previously mentioned.

Further, Applicant is unable to find "entering the locked digital content into a playing device that reads the key code and determines whether the key code is associated with the unlock code..." As previously discussed, the program key of Spies is not equivalent to Applicant's unique key code, encoded in Applicant's physical key at the time of its manufacture. Since this sub-element (the key code) is not anticipated by Spies, neither can the action utilizing this sub-element be anticipated by Spies. Claims 27-31 and 39-43 depend from claims 26 and 38,

respectively, either directly or indirectly, and are therefore believed to be patentable at least for the foregoing reasons.

RE: Claim 32. The Office asserts that Applicant's "method of managing digital rights" is anticipated by Spies. The cited reference reads, in pertinent part, "[t]he video delivery system is architected on a concept of *purchasing decryption capabilities for a particular video that the viewer wishes to see.*" Spies col. 2, lines 29-31 (emphasis added). Spies thus specifically teaches away from Applicant's concept of *purchasing a copy of digital content for repeated use (e.g., to build a digital content library)*, encrypted at the time of sale to the user's physical key. These functional differences result from architectural differences between Applicant's model and that of Spies. Applicant's user does not purchase decryption capabilities for particular video content. Rather, Applicant's permanent key code is transmitted to a content provider for use in encoding digital content that Applicant's user may then access repeatedly using his/her physical key. In contrast, the Spies system writes to an IC card a program key *previously assigned to a particular video program and residing on a program keys database*. See, e.g., Spies Fig. 1, Fig. 3, and Figs. 11-12. Claims 33-37 depend from claim 32, either directly or indirectly, and are therefore believed to be patentable at least for the foregoing reasons.

RE: Claim 44. The Office offers no reason for the rejection of claim 44, other than to assert that claim 44 "limitations have already been addressed (see claim 26)." However claim 44 recites structure and comprises a system claim, whereas claim 26 is drawn to a method of acquiring and playing digital content. Thus it appears that claim 44 was considered by the Office under the wrong statutory class. Re-consideration of this claim and allowance or specific reasons for its rejection are therefore respectfully requested prior to any Final Office Action. Claims 45-46 depend from claim 44, either directly or indirectly, and are therefore believed to be patentable at least for the foregoing reasons.

In summary, since Spies does not teach each and every limitation of the invented claims, that which is disclosed by Spies is not identical to the subject matter of the embodiments claimed, and therefore the rejection of claims 26-47 is improper. Reconsideration and allowance are respectfully requested.

If the Examiner is not convinced as to the allowability of any claim, Applicant respectfully requests that the Examiner clearly state the reasons for rejecting the claim in view of

Applicant's comments herein and in view of Examiner's citations to Spies. For any rejection based upon Examiner's personal knowledge, Applicant respectfully requests an affidavit as required by 37 C.F.R. § 1.104(d)(2).

CONCLUSION

Applicant respectfully submits that the claims are in condition for allowance, and notification to that effect is earnestly requested. As noted above, if the Examiner is not convinced that all of the pending claims are in condition for allowance after reviewing this document, the courtesy of an Examiner's Interview is respectfully requested prior to preparing and mailing any Final Office Action.

The Examiner is invited to telephone Applicant's attorney at (612) 373-6976 to facilitate prosecution of this application. If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

JOHN GIOBBI

By his Representatives,

SCHWEGMAN, LUNDBERG, WOESSNER & KLUTH, P.A.
P.O. Box 2938
Minneapolis, MN 55402
(612) 373-6976


Date 14 July 05

By J. M. Kalis
Janal M. Kalis
Reg. No. 37,650

CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: Mail Stop RCE, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450, on this 14th day of January, 2005.

PATRICIA A. HULTMAN

Name



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